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Assessment of payment adequacy: Home health care services

ISSUE: Each year MedPAC assesses the adequacy of current payments and develops an update recommendation for several of Medicare’s fee-for-service sectors, including home health. Are current payments for home health services adequate? How should payments change in 2007?

KEY POINTS: We will review our application of the Commission’s payment adequacy framework to the question of the update for home health services in 2007. We will discuss

- Beneficiaries’ access to care,
- Entry of new agencies,
- Changes in quality,
- Changes in the volume of services, and
- Measurements of the financial performance of agencies.

In addition to considering the appropriate level of payment, we also consider the distribution of payments within the system. We will discuss our next steps for examining the structure of the payment system.

ACTION: Commissioners should review the findings and make a recommendation. The Commission’s recommendation about updating payments for home health services will be included in the March 2006 report.

STAFF CONTACT: Sharon Bee Cheng (202-220-3712)